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RUEHAH/AMEMBASSY ASHGABAT PRIORITY 0135
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C O N F I D E N T I A L SECTION 01 OF 02 ISTANBUL 000518

SIPDIS

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E.O. 12958: DECL: 10/06/2018

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SUBJECT: IRAN/DEMOCRACY SMALL GRANTS PROPOSAL: PROMOTING
CORPORATE SOCIAL RESPONSIBILITY IN IRAN

REF: A) STATE 93943 AND PREVIOUS B) 9/23/08
ISTANBUL(ODLUM) -- NEA/IR(COBERLY AND
SWANSON) EMAIL

Classified By: Consul General Sharon Wiener; Reason 1.4 (b) and (d).

¶1. (C) Summary: Per Department guidance for the Iran Democracy Small Grants program (ref a), Consulate General Istanbul and Embassy Ankara support and have forwarded to the Department for review, approval, and funding, a proposal submitted to us by an Turkish NGO that aims to develop "corporate social responsibility" principles and practices in Iran. End Summary.

¶2. (C) We recently received an "Iran small grant" application from the "Corporate Social Responsibility Association of Turkey" (CSR-Turkey, www.kssd.org) proposing to target "corporate social responsibility advocates" in Iran, including CSR NGOs and Iranian businesses seeking to bring their business practices in line with international standards of transparency and good governance. The NGO's Director, Serdar Dinler, is well-known to the Embassy. Mission Turkey's support for Dinler's small grant proposal is conditioned on the concerns and caveats noted in para 5.

¶3. (C) Under CSR-Turkey's proposal, that NGO would reach out to similar NGOs in Iran, including the "CSR Development Center in Iran" (CSR-DC, www.csriran.com), and work with those NGOs and other civil society advocates to build awareness within the private sector in Iran of the positive role that private companies can play as stakeholders in their communities, and of the important role that the business community in Iran can play in promoting community-oriented "CSR" principles and practices such as rule of law, transparency and accountability, corporate good governance and anti-corruption, improving community health and education levels, and meeting international labor, employment, and human rights standards. Both CSR-Turkey and CSR-DC (Iran) are members of the UN Global Compact, "the world's largest voluntary corporate social responsibility initiative."

¶4. (C) CSR-Turkey proposes to conduct "situational analysis" surveys, in conjunction with CSR-DC (Iran) to identify and compare current CSR "approaches and best practices" in Iran and Turkey; to raise awareness in Iranian business, media, and academic sectors of CSR practices and principles via wide

dissemination of the survey and other CSR-related publications; and to hold two joint workshops -- one in Turkey and one in Iran -- with Iranian NGOs, business leaders, trade union activists, academic experts, and other CSR "advocates", intended to build their capacity to support and expand the use of CSR principles and practices in Iran. To this end, CSR-Turkey has submitted a proposed twelve-month, USD 99,831 budget request.

15. (C) Embassy Ankara and Consulate General Istanbul believe that effective implementation of CSR-Turkey's proposal would advance USG and MPP goals related to the promotion and development of civil society in Iran. That said, we also note that CSR-Turkey director Serdar Dinler is already a lead project manager for two USG grants currently being managed by Embassy Ankara, and reportedly is involved actively in large grant that the EU's Jean Monnet scholarship fund has made to another organization with which Dinler is affiliated. Because the two USG grants were recently awarded to Dinler, an established track record of full implementation of the grants has not yet been established. Furthermore, neither Embassy Ankara not Consulate General Istanbul has worked directly with CSR-Turkey in the past.

16. (C) Action request: We request that as NEA conducts a review of Dinler's Iran small grant application, reviewers understand that should the application be approved, post would want to conduct a pre-award survey of CSR-Turkey's capacity to effectively implement the grant, and that as a result of that survey post might wish to designate the recipient as a "high-risk" recipient, structuring the grant

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award appropriately.
WIENER